



**UGANDA PERFORMING RIGHT
SOCIETY LIMITED
BY GUARANTEE**

**UPRS
DISTRIBUTION RULES**

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WELCOME TO UPRS:

UPRS is a non-profit making organization governed by a Board of Directors representing owners of Copyright in musical works and sound recordings. The Board of Directors is made up fourteen members -ten authors/composers/performers, two producers and two publishers.

Membership of UPRS is open to all owners of Copyright or Neighbouring Rights in musical works or sound recordings. The membership of UPRS includes most of Uganda's topmost composers and many upcoming ones. The Society has been assigned much of the evergreen repertoire of Uganda's departed rights holders (musicians).

Foreign owners of Copyright and Neighbouring rights also benefit from the protection offered by UPRS through affiliations and reciprocal representation agreements. There is no discrimination in UPRS as all those entitled to membership are admitted at no cost whatsoever, whether they are young or old.

In addition to its members, UPRS serves its music-user licensees by offering them access to a most valuable cultural asset: the huge repertoire of Copyright-protected music which is highly in demand in the country and beyond.

How UPRS Works

Under Ugandan law, owners of Copyright in musical works and sound recordings have the right to request payment in order to authorize the broadcast, public performance or communication to the public and online exploitation of their works.

In reality, no single Copyright owner can monitor the thousands of uses of his/her work in far flung places, neither is it practically possible for each person to negotiate each use and to collect appropriate payments. By coming together in UPRS under a Collective Management Arrangement, the individual strengths are pulled together to achieve what the individual cannot achieve.

MEMBERS, assignors and affiliates can rely on UPRS for efficient, transparent and accountable collection and distribution of the royalties they have earned through the use of their music by assorted music users namely broadcasting stations, hotels, nightclubs, mobile disco, restaurants, event centres, beaches, concerts, internet etc. In order to provide professional Copyright management services, UPRS is offering "customer-care" services to its clientele 'the Users' through its highly experienced personnel.

UPRS continues to work with other members of the Uganda Music Industry namely Uganda Musicians Union (UMU), the nation's musicians' advocacy umbrella for the protection and promotion of social and labour rights in Uganda for authors, songwriters, composers and performers as well as other Uganda Music industry players. Its role is critical in an environment where the users are very suspicious of the

Intellectual Property Laws/Rights namely Copyright and the right to licensing for exploitation

MAJOR MUSIC USERS such as broadcasting stations, internet platforms, telecoms, hotels, nightclubs, mobile discos, restaurants, event centres, commercial transport operators, etc. must ensure that they have appropriate authorization for the music repertoire they deploy. Failure to do this can lead to very expensive disputes and costly legal contests.

The infrastructure necessary to identify the legal owner of every piece of music required for its operations is significant; users can often not afford the cost of negotiating the use of each piece of music belonging to persons from diverse parts of the world. UPRS therefore provides music users access to one of the world's most culturally valuable products and services: a huge repertoire of Copyright-protected music for broadcasting, public performance and communication to the public. UPRS makes the process of obtaining the right licenses straight forward and efficient, offering the opportunity for the works of music creators, performers and producers worldwide to have a positive impact on their businesses while sparing them expensive litigations and disputes

A World Without Music

UPRS makes sure that there will never be a world without music. By making it easy for those who need music to have access to it and ensuring that those who create perform and record the beautiful music we love to receive appropriate remuneration for their ingenuity; UPRS helps creativity to continue and the world is a better place. UPRS says, 'We Make Music!' pay appropriately for usage.

Mission : To promote Copyright and promote the value of music.

Vision : A Country free from piracy and infringement of Copyright works.

RULES & REGULATIONS

1. GENERAL PROVISIONS

These distribution rules may be cited as the Distribution Rules of UPRS Ltd.

2. OBJECTIVE STATEMENT

UPRS Royalty Distributions in various distribution categories are aimed at the equitable distribution of Net Distributable Revenue to participating musical works and sound recordings and their respective affiliated rights holders in accordance with the documented division of fees, by way of computed royalty allocations, calculated on the basis of proportionate allocation according to frequency of play against income, so as to represent a fair value of those rights administered by UPRS, relative to actual broadcasts, performances or usage of musical works, sound recordings and license fees received.

3. RIGHTS ADMINISTERED BY UPRS.

UPRS is authorized by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & Neighbouring Rights

Distribution Rules

Regulations 2010 to license rights in Musical Works and Sound Recordings. Through reciprocal agreements, UPRS also administers the rights of other (CMOs) Collective Management Organisations and rights owners around the world whose members' works are exploited in Uganda.

i. Musical Works:

Rights assigned/licensed to UPRS by its members/affiliates

- a. Reproductions rights;
- b. Performing rights;
- c. Broadcasting rights
- d. Adaptations rights
- e. Synchronization Rights

ii. Sound Recordings:

Rights assigned/licensed to UPRS by its members/affiliates.

- a. Reproductions/Mechanical rights;
- b. Performing rights;
- c. Broadcasting rights.

4. DISTRIBUTION CATEGORIES AND CLASSES.

UPRS has two primary categories of royalty distributions and a third is still developing namely:

Broadcast

General Licensing,
Digital Exploitations

Currently these distributions take place on an annual basis, and are subdivided into distribution classes as follows:-

i. Broadcast

- a. Radio
- b. Television
 - Reality Shows
 - Films & Movies
 - Music Videos
- c. Satellite/Cable/Internet

ii. General

- a. Hotel
- b. Restaurants/Eateries
- c. Clubs/Pubs/Lounges /Bars
- d. Mobile Disco
- e. Events Venues
- f. Shopping Malls/Show Rooms/Retail Outlets
- g. Taxis, Buses, Cabs, Coaches, Aircrafts
- h. Event Centres/Parks/Gardens
- i. Concerts
- j. Exhibitions/Trade
- k. Fairs
- l. Roadshows
- m. Airport Lounges

iii. Digital Exploitations

- a. CRBT
- b. Mobile/Online Download
- c. Mobile/Online Streaming
- d. Online Spotfy
- e. Online Clouding

5. DISTRIBUTABLE REVENUE

The distributable revenue may include:

- (a) Licensing revenues less administrative expenses and provisions for any reserved funds;
- (b) Royalties received from affiliated societies less administrative expenses;
- (c) Interest earned from investments after the deduction of administration fees received during relevant period;
- (d) The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

Distributable revenue may vary from one period to the next.

6. NET DISTRIBUTABLE REVENUE

Net Distributable *Revenue* is determined in line with amounts reported in the audited

Annual Financial Statements of the distribution year.

Net Distributable Revenue for royalty distributions is determined as follows:

Gross License Revenue
Less
Administration Expenses
(relevant to the categories of works)

Distribution Rules

UPRS is entitled to deduct an administration fee from license fee revenue to cover the expenses of its management, promotion and operations.

Less: Social and Cultural Allocations (in respect of musical works)

Equals: Net Distributable Revenue

7. ADMINISTRATION COSTS.

UPRS deducts its administrative costs from the revenue it collects. The administration fees are deducted from gross license fee levy to leave net distributable revenue, which is then used in subsequent royalty calculations. The administration fees cover the general costs necessary for UPRS to operate effectively and efficiently.

The most important categories of expenses include, but are not limited to the following:

- o Salaries and associated costs;
- o Licensing and processing costs;
- o Establishment of a database and updating thereof;
- o Information technology systems and support;
- o Audit, accounting, training, advertising and sundry office expenses;
- o Printing, stationary, postage and couriers;
- o Property related expenses;
- o Legal charges;
- o Obtaining and processing of airplay logs;
- o Telephone, fax & internet;

- o Travel and accommodation;
- o Bad debts and debt collection expenses;
- o Motor vehicle costs; and other costs.

8. SPECIAL PROVISIONS FOR DEVELOPMENT FUNDS AND PROMOTION OF OTHER INTERESTS.

The Board may before making any allocation and distribution among the members & rights holders, and affiliated societies, apply out of the receipts such sums, as it thinks proper but not exceeding 10% of the Society's distributable income from domestic sources attributable to musical works, which it has agreed to contribute towards social and cultural funds.

9. DETERMINATION OF ROYALTY ALLOCATIONS

Royalty allocations and distributions duly authorized by the Board are final and shall be binding, save and except when the Board determines that it is necessary to make adjustments because of :-

- i.
 - (a) a claim by an interested party made in accordance with accepted procedures
 - (b) any other claim made within three years of the date of approval of the allocation or distribution concerned.
- ii. Any amount paid in error to any member/rights holder may be recovered by UPRS by recovering that amount from the member/rights holder or by deducting that amount from any other royalty allocation or distribution distributable to the member/rights holder.

- iii. Where a claim is disputed then the affected royalty share shall be withheld until the dispute is resolved. a claim by an interested party made in accordance with accepted procedures and any other claim made within three years of the date of approval of the allocation or distribution concerned.

**10. NOTIFICATION OF SHARES AND
RE-ALLOCATION OF COPYRIGHT SHARES.**

After it has deducted its administration expenses from royalties collected, UPRS begins the process of allocating the net fees amongst the interested parties in the musical works and sound recordings exploited under its licenses.

The allocation of shares is how UPRS divides royalties due to a work between the parties interested in that musical work or sound recording.

As and when required by UPRS, each member must notify UPRS of the allocation of shares (or, division of fees) and the full names of all interested parties, in sufficient detail, of each musical work (ensuring that at least 50% of share at minimum is allocated to the authors section) and sound recordings (on the basis of (50%), to the producer and (50%) to the performer/s in which they have an interest.

Where a publisher provides notification of the allocation of shares to UPRS or label, UPRS shall confirm the allocation of shares with the author(s) and performer(s) concerned.

UPRS will accept such notifications in respect of active works from affiliated societies when received from societies in the customary manner, e.g. Fiche International etc.

Distribution Rules

UPRS will, subject to the above caveat, usually divide the royalties between the parties in/or divide in the work in the proportions agreed between them.

Where the interested parties in any given title seek a reallocation of shares for the title, their agreement thereto must be in writing and each such interested party and/or holder of a share must consent in writing to the re-allocation.

11. RETROSPECTIVE CLAIMS.

- i. The retrospective claim period for Royalties is limited to (1) one year. That period may on application by the claimant be extended by the Board for a further period not exceeding (1) one year, in cases where extrinsic evidence deemed sufficient by the Board, is provided in support of the claim and/or application.
- ii. Where a retrospective claim is to be credited by UPRS, unless otherwise approved by the Board, payment shall be made in the next distribution of the General pool and shall be credited at the rate applicable to the distribution in which it is paid.

12. DISTRIBUTION BASIS

UPRS may base its distributions on the following methods, in order of preference:

i. Census

This is the preferred basis for all distribution sections. A census distribution involves data collection, processing and payment for every single performance, often referred to as '*pay-per-play*', within the license period.

Unfortunately it is not always feasible for UPRS to distribute on a census basis, due to the nature and volume of music usage by several different licensees. Usually, this is where no cost effective solution for collecting and processing data is available, for example music played in the background by licensed clubs, halls, bars, restaurants, hotels, etc.

ii. Sample

Where census distribution is not feasible, UPRS seeks to collect a "*representative sample*" of actual performances as the basis to distribute revenue.

13. DISTRIBUTION METHODS

UPRS shall seek to ensure, as far as possible, that royalties are paid directly to the owners of the works performed through any of the following methods deemed fit:-

- (a) Direct Allocation — where license fees are distributed on a 100 percent census;
- (b) Sample Analysis — where license fees from similar users are pooled and distributed using a sample analysis of programme returns;
- (c) Sample/Direct Allocation — where license fees paid by a single licensee are allocated to the musical works and sound recordings used by that licensee based on a sample analysis of the programme returns;
- (d) Distribution by Analogy — where license fees are added to an existing distribution pool which has similar music usage.

14. HONOURING AGREEMENTS AND REGARD FOR PRINCIPLES.

In the formulation of Distribution Rules from time to time UPRS shall honour the terms of any agreement with:

- (i) its members/rights holders; and/or
- (b) affiliated societies have regard to the resolutions of the International Confederation of Societies of Authors and Composers (CISAC) and the Distribution Guidelines of International Federation of the Phonographic Industry (IFPI) concerning the principles for the fair and equitable distribution of royalties.

15. ALLOCATION SPLITS BETWEEN MUSICAL WORKS AND SOUND RECORDINGS

- i. Musical Works 60% of Net Distributable Revenue
- ii. Sound Recordings 40% of Net Distributable Revenue.

16. INTERESTED PARTIES IN A MUSICAL WORK

- i. Songwriter
 - a. Author/Lyricist
 - b. Composer - Music
 - c. Publisher

17. INTERESTED PARTIES IN A SOUND RECORDING

- i. Performer
- ii. Producer and Label/Record Company

18. ROYALTY SPLITS BETWEEN THE INTERESTED PARTIES WHERE THERE ARE NO CONTRACTS

i. Musical Works

- | | | | | |
|----|-----------|-----|----|-----|
| a. | Author | 25% | of | 60% |
| b. | Composer | 25% | of | 60% |
| c. | Publisher | 50% | of | 60% |

ii. Sound Recordings

- | | | | | |
|----|-----------|-----|----|-----|
| a. | Performer | 50% | of | 40% |
| b. | Producer | 50% | of | 40% |

iii. Digital Exploitations

- a. Downloading Musical Works (Limited)
70% Mechanical Right 30%
- b. Streaming Performing Right 70%
 Performing Right 30%

iii. Digital Exploitations

Mechanical Right Sound Recordings (Exceptional)

- a. Subject to contractual specific mandate (where applicable & licensed to collect & distribute)
- b. As stated in the agreement between the performer (artiste) and the producer (label/record company)

Where there is a contract between the different parties, UPRS shall carry out the royalty splits in line with the contract entered into by the parties, subject to the caveats mentioned in clause 10 above

19. COPYRIGHT ISSUES INHERENT IN THE DIFFERENT CATEGORIES

Broadcast & Transmission:

a. Radio

- Musical Works and Sound Recordings

b. Television

- Reality Shows Musical Works
- Films & Movies Musical Works & Sound Recordings
- Mussal Videos Musical Works & Sound Recordings

c. Digital Exploitations

- Ring Tones
- Ringback Tunes
- Mobile/internet Streaming
- Mobile/internet Download

General

a. Hotel

- Live Music Musical Works
- Recorded Music Musical Works, Sound Recordings & Music Videos

b. Restaurants

- Recorded Music(Background)
Musical Works, Sound Recordings & Music Videos

c. Clubs/Pubs/Lounges

- Live Music Musical Works
- Recorded Music (Background) -
Musical Works, Sound Recordings & Music Videos
- Recorded Music (Featured) -
Musical Works, Sound Recordings & Music Videos

d. Shopping Malls/Show Rooms/Shops

- Recorded Music (Background) -
Musical Works, Sound Recordings & Music Videos
- Taxis, Buses, Cabs, Coaches -
Musical Works, Sound Recordings & Music Videos

e. Event Centres

- Live Music Musical Works
- Recorded Music -
Musical Works, Sound Recordings & Music Videos

f. Concerts/Shows

- Live Music Musical Works
- Record Music
Musical Works, Sound Recordings & Music Videos

20. GENERAL PERFORMANCES

100% net distributable revenue from domestic sources other than for radio, television and live performances shall be pooled and distributions shall be based on representative samples of programme returns received in respect of radio broadcasts and other significant licensed events.

21. UNIDENTIFIED WORKS

UPRS shall use its best efforts to identify all works performed. In the event that LPRS is unable to identify the Copyright owner of a work within a period of three years from the date of receipt of royalties LTRS shall and/or distribute the royalties pro-rata to all parties receiving royalties during the preceding three year period as determined by the Board.

22. DISTRIBUTION ACCOUNTS

a. Non-Member Holding Account

If one of the interested parties of a UPRS originated work is not yet a member, that non-member's share will be placed in the Non-Member Holding Account for a period of three years. After seven years, if the share of royalty is yet unclaimed, the monies so placed in the Non-Member Holding Account in respect of that non-member's share shall be distributed pro-rata to all parties receiving royalties during the preceding three year period as determined by the Board.

b. Dispute Holding Account

Royalties or a share of royalties for a work in dispute, such as where there is a conflicting ownership claim shall be held in a Dispute Holding Account. Royalties shall remain in suspense until UPRS is duly notified of the resolution or other determination of that dispute.

c. Undistributed (Pending Identification) Royalties Holding Account.

Royalties allocated to a work later found to be in the public domain or which for any other reason are not distributed such as in cases where there is a lack of documentation, shall be placed in the Holding Account. Monies held in this account shall be used to pay, after validation; performances which ought to but which were unpaid in previous distributions or other adjustments necessary for previous distributions. Where any sum of money in this account remains undistributed for a period of three years, the Board may in its discretion use any such sum or part thereof as distribution pro-rata to all parties receiving royalties during the preceding seven-year period.

23. WORKS ORIGINATING FROM UPRS REPERTOIRE

The distribution of royalties to interested parties shall be based on the Schedule of Division of Shares. The divisions are in every case modifiable where it is so agreed in writing between the interested parties, with the limitation that in no instance for musical works may the share of the publisher, or the combined share of all publishers of a particular work, exceed one-half of the total distribution fees.

Distribution Rules

Where the original publishing contract or recording contract does not specify the share payable to the writer(s) and publisher(s) or performer(s) and producer(s) respectively, then the UPRS rules will apply by default. UPRS shall allocate for

- i) musical work - the publisher with a maximum of 50% of the total share and the remaining 50% shall be divided equally between the composers and authors of the work.
- ii) sound recording the division shall be maximum of 50% to the producer (label/record company) and the remaining 50% shall be credited to the performer (artiste).

UPRS shall use the share division provided and conditions mandated by the society from which the work originated in so far as those are consistent with international best practice.

24. ROYALTIES RECEIVED FROM AFFILIATED SOCIETIES.

1. Royalties received from affiliated societies will be distributed to members in the general distribution of UPRS following receipt and after verification of the accompanying documentation.
2. A deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.

A product of

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